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Construction of additional conference facilities at the Vienna International Centre

Report of the Secretary-General

Summary

In section VI of its resolution 59/276 of 23 December 2004, the General Assembly approved the participation of the United Nations, along with the other organizations located in the Vienna International Centre, in the arrangements for a proposed new conference facility within the boundaries of the Centre.

The present report has been prepared pursuant to section VI of General Assembly resolution 59/276, in which the Assembly entrusted the Secretary-General to determine the cost-sharing arrangements between the United Nations and the three other organizations located at the Vienna International Centre and to report thereon to the Assembly for its review and decision. In addition, information is provided on the progress in the project implementation since the issuance of the note by the Secretary-General (A/C.5/59/23).

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I. Introduction

1. The General Assembly, in section VI of its resolution 59/276 of 23 December 2004, took note with appreciation of the proposal of the Government of Austria to construct a new conference facility within the boundaries of the Vienna International Centre; approved the participation of the United Nations, along with the other organizations located in the Centre, in the arrangements for the proposed new conference facility on the terms proposed by the Secretary-General in his note (A/C.5/59/23); entrusted the Secretary-General to determine, in cooperation with the other three organizations located at the Centre, the cost-sharing arrangements for potential future costs arising from the project within the amount indicated in his note, on the understanding that the related financial requirements would be dealt with in the context of the proposed programme budget for the respective bienniums, and to report thereon to the Assembly for its review and decision; and requested the Secretary-General to report on the progress in the project implementation to the Assembly at its sixty-first session.

2. The present report has been prepared pursuant to General Assembly resolution 59/276, section VI. In addition, the report provides information on the progress in the project implementation since the issuance of the note by the Secretary-General (A/C.5/59/23).

II. Project costs and cost-sharing arrangement

3. As indicated in the note by the Secretary-General (A/C.5/59/23, paras. 7 and 8), the agreement with the Government of the host country to provide a new conference facility was finalized in the form of a memorandum of understanding signed on 18 October 2004, which set a ceiling for the project at €52.5 million, of which the United Nations and the three other organizations located at the Vienna International Centre would collectively contribute €2.5 million; moreover, the exact share of each of the organizations had been preliminarily agreed upon.

4. Subsequently, after a review of various cost-sharing scenarios, the participating organizations agreed to adopt the preliminarily agreed cost-sharing ratios, which were based on the projected utilization of the new conference facilities, to determine their share of the total amount to be contributed. The United Nations share, based on projected utilization of the new facility, is 4 per cent. The share of the €2.5 million accounted for by each of the participating organizations is indicated in the table.

Cost-sharing arrangement

Participating organization	*Share (percentage)*	*Contribution (euros)*
International Atomic Energy Agency	80.0	2 000 000
Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization	13.0	325 000
United Nations Office at Vienna	4.0	100 000
United Nations Industrial Development Organization	3.0	75 000
Total	**100.0**	**2 500 000**

5. Effective 2010, the present cost-sharing principle, which is based on actual usage, would be applied to the maintenance and operation costs of the new conference facility. From 2008 to 2010 the new facility would serve as "swing space" while asbestos is being removed from the existing conference building. During that period, the organizations would incur no additional maintenance and operation costs relating to the new conference facility.

6. The financial requirements related to paragraphs 4 and 5 above, excluding the removal of asbestos, will be dealt with in the context of the proposed programme budget for the respective biennium. The cost of asbestos removal in the present conference centre will be covered by the host country under the provision of the host country agreement, whereby the Government of Austria is responsible for major work on the building.

III. Status of development of the project

7. Following the approval by the General Assembly for the participation of the United Nations, along with the other organizations located in the Vienna International Centre, in the arrangements for the proposed new conference facility, various working groups were established. The working groups were comprised of representatives of the Government of the host country as well as consultants and experts from the organizations located in the Centre. The United Nations Industrial Development Organization (UNIDO) was designated as the focal point to represent the interests of the organizations in the realization of the new conference building, as UNIDO is currently responsible for the operation and maintenance of all existing buildings in the Centre.

8. The working groups have met regularly to discuss the technical aspects of the construction of the new conference facility, such as design, foundation, electronics, air conditioning, and conference technologies, as well as aspects related to the future operation and maintenance of the new conference facility. In the meantime, the participating organizations have reached agreement on the cost-sharing arrangement.

9. As advised by the Austrian authorities, a building permit for the new conference facility was obtained in July 2006 and preparatory work on infrastructure for the construction is under way. Furthermore, it is anticipated that

the original timeline and costs for the construction and delivery of the new conference facility will be respected. The new conference facility should therefore be available in 2008.

IV. Conclusions and recommendations

10. **The agreement with the Government of the host country to provide a new conference facility sets a ceiling for the project at €52.5 million, of which the United Nations and the three other organizations located at the Vienna International Centre would collectively contribute €2.5 million, payable in the biennium 2008-2009.**

11. **The agreement on the cost-sharing arrangement has been reached with the participating organizations. The United Nations share of the costs for the construction of the new conference facility amounts to €100,000. That amount, which would be payable in 2008, will be presented to the General Assembly in the context of the proposed programme budget for the biennium 2008-2009.**

12. **The maintenance and operation costs of the new conference facility would be shared using the present cost-sharing principle, which is based on actual usage. The related financial requirements will be dealt with in conjunction with other common support costs in the context of the proposed programme budget for the biennium.**

13. **The General Assembly may wish to take note of the present report.**